

Notice of Allowability	Application No.	Applicant(s)	
	09/522,481	PINTO, EDWARD J.	
	Examiner Jason M. Borlinghaus	Art Unit 3628	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address--

All claims being allowable, PROSECUTION ON THE MERITS IS (OR REMAINS) CLOSED in this application. If not included herewith (or previously mailed), a Notice of Allowance (PTO-85) or other appropriate communication will be mailed in due course. **THIS NOTICE OF ALLOWABILITY IS NOT A GRANT OF PATENT RIGHTS.** This application is subject to withdrawal from issue at the initiative of the Office or upon petition by the applicant. See 37 CFR 1.313 and MPEP 1308.

1. This communication is responsive to 3/14/05.
2. The allowed claim(s) is/are 1-4, 6-10, 12-16, 18-20.
3. Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All b) Some* c) None of the:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

* Certified copies not received: _____.

Applicant has THREE MONTHS FROM THE "MAILING DATE" of this communication to file a reply complying with the requirements noted below. Failure to timely comply will result in ABANDONMENT of this application.
THIS THREE-MONTH PERIOD IS NOT EXTENDABLE.

4. A SUBSTITUTE OATH OR DECLARATION must be submitted. Note the attached EXAMINER'S AMENDMENT or NOTICE OF INFORMAL PATENT APPLICATION (PTO-152) which gives reason(s) why the oath or declaration is deficient.
5. CORRECTED DRAWINGS (as "replacement sheets") must be submitted.
 - (a) including changes required by the Notice of Draftsperson's Patent Drawing Review (PTO-948) attached
 - 1) hereto or 2) to Paper No./Mail Date _____.
 - (b) including changes required by the attached Examiner's Amendment / Comment or in the Office action of Paper No./Mail Date _____.

Identifying indicia such as the application number (see 37 CFR 1.84(c)) should be written on the drawings in the front (not the back) of each sheet. Replacement sheet(s) should be labeled as such in the header according to 37 CFR 1.121(d).
6. DEPOSIT OF and/or INFORMATION about the deposit of BIOLOGICAL MATERIAL must be submitted. Note the attached Examiner's comment regarding REQUIREMENT FOR THE DEPOSIT OF BIOLOGICAL MATERIAL.

Attachment(s)

1. Notice of References Cited (PTO-892)
2. Notice of Draftsperson's Patent Drawing Review (PTO-948)
3. Information Disclosure Statements (PTO-1449 or PTO/SB/08),
Paper No./Mail Date _____
4. Examiner's Comment Regarding Requirement for Deposit
of Biological Material
5. Notice of Informal Patent Application (PTO-152)
6. Interview Summary (PTO-413),
Paper No./Mail Date _____.
7. Examiner's Amendment/Comment
8. Examiner's Statement of Reasons for Allowance
9. Other _____.


EDWARD PINTO
 PRIMARY EXAMINER
Ac 3628

EXAMINER'S AMENDMENT

An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Kent Lembke on 12/06/05.

Claims 1, 4 – 6, 8 – 9, 11, 13 and 16 – 20 have been replaced by the following:

1. (Currently Amended) A method of processing a secured loan comprising:
accepting a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower;
generating a credit request based upon the borrower's identity to obtain a credit report, the credit report including credit information and credit score information;
accessing a property valuation database using the collateral identity;
based upon the credit report, generating an approval of the property valuation from the database;
based upon the credit report, generating a credit approval;
based upon the credit report, underwriting title of the identified collateral;
wherein the step of underwriting title comprises:

providing a matrix having predefined values relating Fair Issac & Company scores to postponeable title underwriting criteria for the associated Fair Issac & Company score;

determining if the obtained credit history contents meets the postponeable title underwriting criteria specified by the matrix; and
when the credit history contents indicate the postponeable underwriting is satisfied, issuing a conditional underwriting commitment before closing and verifying the title status after closing.

based upon the credit report and the stated income of the borrower and the stated income of the borrower, generating an approval of the borrower's ability to repay the loan;

based upon the credit, collateral, and ability to repay approval, generating loan documentation;
transmitting the loan documentation to the borrower; and
closing the loan.

4. (Currently Amended) The method of Claim 1 wherein the step of generating credit approval comprises:

providing a matrix having predefined values relating [FICO] said Fair Isaac & Company scores to approvable credit history criteria for the associated [FICO] Fair Isaac & Company score; and

determining if the obtained credit history contents meets the approvable criteria specified by the matrix.

5. (Cancelled)

6. (Currently Amended) The method of claim [5] 1 wherein the step of verifying title status comprises:

performing a deed search in a title record database to obtain a legal description of the collateral and a recorded name of the collateral owner; and
basing the title underwriting on the deed search without a full title record search.

8. (Currently Amended) The method on claim 1 wherein the step of generating an approval of the borrower's ability to repay the loan further comprises:

providing a matrix having predefined values relating [FICO] said Fair Isaac & Company scores to whether the stated income in the loan application needs to be verified or the associated [FICO] Fair Isaac & Company score;

determining if the obtained credit history contents meets the [FICO] Fair Isaac & Company score criteria specified by the matrix; and

generating the approval of the borrower's ability to pay without income verification when the obtained [FICO] Fair Isaac & Company score meets the specified criteria.

9. (Currently Amended) A secured loan processing system comprising:

a loan processing computer system having an interface for receiving a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower;

a credit reporting database in communication with the loan processing computer for receiving a request based upon the borrower's identity and providing a credit report including a [FICO] Fair Isaac & Company score to the loan processing computer system;

a property evaluation database in communication with the loan processing computer for receiving a request based upon the collateral identity and providing a database evaluation report to the loan processing computer system;

an underwriting matrix within the loan processing system having an association between credit report values and approval criteria, wherein the loan processing computer can approve the loan application based upon the application contents, the database evaluation, and credit report without reference to additional direct data; and

a post closing process implemented by the loan processing computer system for performing a post-closing title verification on the collateral property.

11. (Cancelled)

13. (Currently Amended) A secured loan processing system comprising:

means for accepting a loan application from a borrower, the loan application comprising at least a borrower's identity, collateral identity, and stated income of the borrower;

means for generating a credit request based upon the borrower's identity to obtain a credit report, the credit report including credit information and credit score information;

means for accessing and property evaluation database using the collateral identity;

means for generating a credit approval based upon the credit report;

means for underwriting title of the identified collateral based upon the credit report;

wherein the means for underwriting title comprises:

means for providing a matrix having predefined values relating Fair Isaac & Company scores to postponeable title underwriting criteria for the associated Fair Isaac & Company score;

means for determining if the obtained credit history contents meets the postponeable title underwriting criteria specified by the matrix; and

means for issuing a conditional underwriting commitment before closing based solely upon the credit history and verifying the title status after closing when the credit history contents indicate the postponeable underwriting is satisfied.

means for generating an approval of the borrower's ability to repay the loan based upon the credit report and the stated income of the borrower; means for generating loan documentation based upon the credit, title, and ability to repay approvals and means for transmitting the loan documentation to the borrower.

16. (Currently Amended) The system generating credit approval comprises: means for providing a matrix having predefined values relating [FICO] Fair Isaac & Company scores to approvable credit history criteria for the associated [FICO] Fair Isaac & Company score; and means for determining if the obtained credit history contents meets the approvable criteria specified by the matrix.

17. (Cancelled)

18. (Currently Amended) The system of claim [17] 13 wherein the means for verifying title status comprises: means for performing a deed search in a title record database to obtain a legal description on the collateral and a recorded name of the collateral owner.

19. (Currently Amended) The system of claim [17] 13 wherein the means for verifying title status comprises:

means for obtaining a current status of lien positions from a title database using the collateral property description;

means for using the deed search results to determine whether title is vested in the borrower; and

means for validating a legal description of the collateral property using the deed search result.

20. (Currently Amended) The system of claim 13 wherein the means for generating an approval of the borrower's ability to repay the loan further comprises:

means for providing a matrix having predefined values relating [FICO] said Fair Isaac & Company scores to whether the stated income in the loan application needs to be verified for the associated [FICO] Fair Isaac & Company score;

means for determining if the obtained credit history contents meets the [FICO] Fair Isaac & Company score criteria specified by the matrix and

means for generating the approval of the borrower's ability to pay without income verification when the obtained [FICO] Fair Isaac & Company score meets the specified criteria.

Allowable Subject Matter

Claims 1 – 4, 6 – 10, 12 – 16 and 18 – 20 are allowed.

The following is a statement of reasons for indication of allowable subject matter.

The prior art fails to teach, or suggest, the limitations of:

“issuing a conditional underwriting commitment before closing and verifying the title status after closing” (as in independent Claim 1);

“ a post closing process implemented by the loan processing computer system for performing a post-closing title verification on the collateral property” (as in independent Claim 9); or

“means for issuing a conditional underwriting commitment before closing based solely upon the credit history and verifying the title status after closing” (as in independent Claim 13).

Such limitation is present in all independent claims.

It is well known in the art to verify the title status of collateral for a secured loan prior to the closing of the secured loan transaction. For example, a consumer seeking to obtain a secured loan, such as a mortgage, would be required, prior to closing, to verify title to the real estate, through a title search, in order to obtain said loan and complete the transaction. The instant application distinguishes from this common practice by having the title verification process take place after closing rather than before closing, as is common and accepted practice.

Norris (US Patent 5,870,721) discloses a method/system for processing a secured loan including accepting the loan application, obtaining credit information, underwriting the loan and closing the loan transaction (transferring the funds). This system requires that an applicant seeking to obtain a secured loan present title to the collateral for the loan. Neither this patent, alone nor in combination with others, disclose

nor teach the feature of postponing title verification for a secured loan until after closing which would oppose the commonly accepted practice utilized in the financial industry.

Furthermore, Diehl (Diehl, Cheryl L. & Bray, Susan R. *Handbook of Mortgage Processing*. Mortgage Bankers Association of America. Washington, DC. 1993. pp. 51 – 69, 128 – 133 and 177 – 179) discloses a method/system for processing a secured loan including accepting the loan application, obtaining credit information, appraising collateral, underwriting the loan and closing the loan transaction. This system requires that an applicant seeking to obtain a secured loan present title to the collateral for the loan. Neither this non-patent literature, alone nor in combination with others, disclose nor teach the feature of postponing title verification for a secured loan until after closing but directly states the verification and presentation of acceptable title prior to closing.

Lastly, Cullen (EPO 895173 A2) discloses a method/system for providing delivery of financial services including loans. Neither this foreign patent, alone nor in combination with others, disclose nor teach the feature of postponing title verification for a secured loan until after closing.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jason M. Borlinghaus whose telephone number is (571) 272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough can be reached on (571) 272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system.. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).
